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SUBJECT: SDKU CHAIRMAN DZURINDA: HOLDING ON TO THE REINS

OF POWER

Classified By: Ambassador Vincent Obsitnik, for reasons 1.4 b and d

- (C) Summary. During a farewell call by the DCM on July 9, SDKU Chairman Mikulas Dzurinda outlined SDKU's strategy for promoting the party in the face of a resilient and popular government. Dzurinda acknowledged that simply criticizing PM Fico and the government was not working, and that SDKU intended to pursue a multi-pronged approach aimed at highlighting for voters SDKU's past accomplishments and its vision for the country. Dzurinda's goal in the 2010 elections is to bring SDKU-KDH polling numbers closer to Smer (he is not counting on the Hungarian Coalition Party, SMK, which he thinks could unite with Smer in 2010). Dzurinda is counseling patience within the fractured opposition and is focused also on rebuilding SDKU's Bratislava structures $\,$ following the March purge -- even as more SDKU members are leaving. Dzurinda expressed support for the presidential bid of SDKU MP Iveta Radicova, but confided that "her heart did not appear to be in the contest." He closed the meeting with an offer to weigh in on behalf of the U.S. with his good friend, Czech PM Topolanek, if we thought that could be useful at any point. Unsaid, but clearly signaled, was Dzurinda's intent to hold on to the reins of power for the foreseeable future. End Summary.
- 12. (C) SDKU Chairman Mikulas Dzurinda told DCM that he realizes that the opposition strategy needs to go beyond criticism of the government to lay out a vision for Slovakia, if SDKU is to make inroads into Smer's popularity. This fall, Dzurinda said, SDKU would lay out its policy vision in the areas of economy, health care, law enforcement and education. (Comment: the focus will be on domestic issues; foreign policy doesn't resonate sufficiently with the Slovak public to make an electoral difference.) Dzurinda stressed a particular emphasis on education and the need for greater R&D spending. SDKU has to demonstrate, he acknowledged, that it has a clear vision of what is required to keep the Slovak economy growing and to maintain some sort of competitive advantage in attracting foreign and domestic private sector investment.
- 13. (C) In October, SDKU also intends to launch a campaign to show Slovaks what it has accomplished -- both economically and with respect to democracy -- since 1998. This will include traveling exhibits of photos and speeches by Dzurinda and others, including a guest appearance by Topolanek and Polish and Hungarian figures. Dzurinda said that he hopes voters will begin to perceive that these accomplishments as more significant to Slovaks and their future than the minor populist steps that PM Fico has taken. Dzurinda said he expected Smer's honeymoon to continue, primarily due to favorable economic conditions. He is advocating patience within the fractured opposition -- SMK is still in quarantine -- though SDKU MP Radicova did attend its recent 10th anniversary celebration. With respect to SMK, Dzurinda noted

that he preferred to work with SMK Chairman Pal Csaky, rather than erstwhile -- and still popular -- former leader, Bela Bugar. According to Dzurinda, while Csaky is not nearly as sharp as Bugar and is certainly more of a nationalist, Bugar is hostage to too many business interests.

- 14. (C) The Christian Democratic Movement (KDH) will continue to be led by Pavel Hrusovsky, and neither he nor Dzurinda thinks that the breakaway KDH MPs (former Interior Minister Palko, Frantisek Miklosko, etc.) will pose an electoral threat. Dzurinda predicts that Smer might poll around 36 percent in the next election, while SDKU would get around 15 percent. KDH might win 8 percent and SMK could reach 10 percent. Dzurinda is not counting on a coalition with SMK, which he thinks will go with Smer in the next elections, but is working to boost SDKU-KDH numbers. For his part, Dzurinda would entertain the possibility of a "grand coalition" with Smer only if he were to be the leading figure.
- 15. (C) As for SDKU, Dzurinda claims it is making progress rebuilding its Bratislava representation, which he said had long been plagued by problems and infighting. New blood is being brought in and active outreach is ongoing. Dzurinda's foreign policy advisor Milan Jezovica, also chief of the Bratislava's Ruzinov district, is conducting three meetings per day to build party support. According to some contacts, SDKU MP (and former Justice Minister) Lucia Zitnanska may be recruited to lead SDKU's Bratislava branch. (Comment: Zitnanska has integrity and is very capable. She isn't the typical "pol," however, and like some of her SDKU colleagues, e.g., Ivan Miklos, she doesn't exude either warmth of ease.) Dzurinda didn't allude to the recent high-profile defection of Lubos Michel. Michel, a former football referee, was a

very popular figure in the party until he announced his resignation on July 3, citing concerns about SDKU's stance on the Lisbon Treaty. (Comment: According to SDKU Deputy Chairman Milan Hort, Michel's defection came as a complete suprise. Hort told Poloff July 10 that there were suspicions that Michel had resigned under threat of blackmail from individuals close to the J&T Finanical group, as payback for the recent SDKU accusations of information leaks and insider trading against J&T and FinMin Pociatek in connection with the recent revaluation of the Slovak Crown.)

16. (C) Looking ahead, Dzurinda said that SDKU was squarely behind the Presidential bid of SDKU Deputy Iveta Radicova. He lamented, however, that Radicova's heart did not seem to be in the campaign and that she has doubts about the job. Radicova had told PolEcon Chief in March that she felt it was her duty to pursue this role, and that she would do her best to represent the opposition, but that she didn't relish many aspects of politics. Dzurinda told DCM that the party would try to encourage her drive and enthusiasm. On foreign policy issues, Dzurinda expressed support for the recently signed U.S.-Czech accord on missile defense, and offered, in the coming months, to weigh in with Czech premier Topolanek, on this or any other issue, if we thought it would be useful. Comment: Though Dzurinda did not address the chorus of critics -- within and outside of the party -- that have been calling for a change in party leadership, he made clear through his comments and demeanor that he has no intention of stepping down anytime soon. Although he realizes that SDKU's return to power in the next elections is highly unlikely, Dzurinda seems determined to achieve some sort of vindication, or at least greater recognition among the public of the milestones SDKU helped Slovakia achieve.